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Commissioners of...

A report on the
conveyances of certain...

[New York]

[1912]

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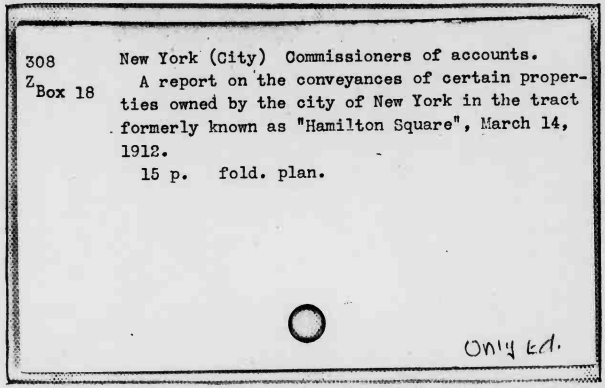

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A REPORT

ON THE

Conveyances of Certain Properties Owned by The City of New York in the Tract formerly Known as "Hamilton Square."

MARCH 14, 1912.

OFFICE OF
THE COMMISSIONER OF ACCOUNTS
CITY OF NEW YORK
RAYMOND B. FOSDICK
Commissioner

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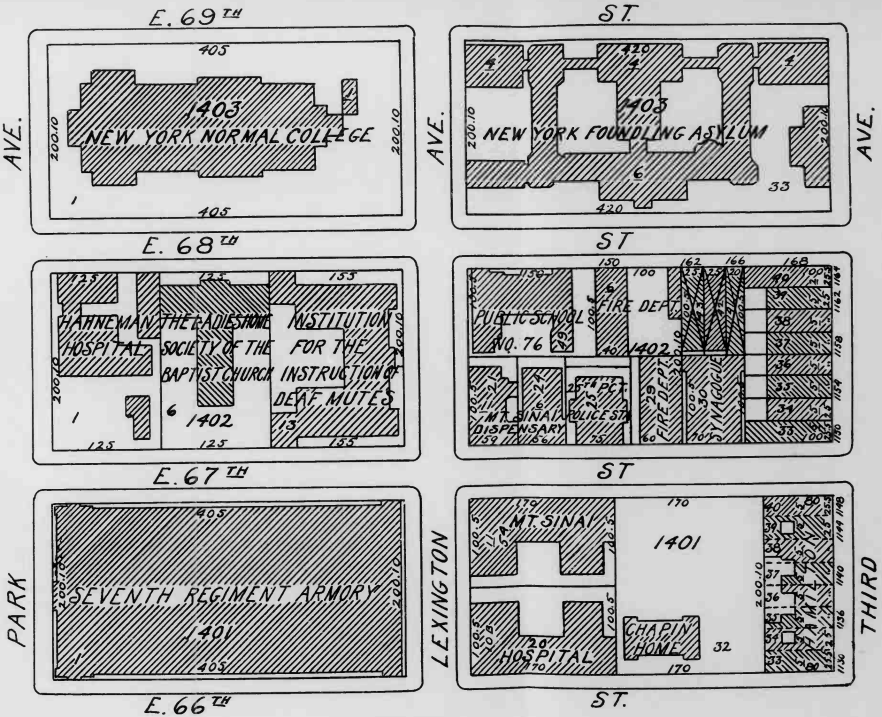

HAMILTON SQUARE.

CITY OF NEW YORK,
OFFICE OF THE COMMISSIONER OF ACCOUNTS,
280 BROADWAY,
March 14, 1912.

Hon. WILLIAM J. GAYNOR,
Mayor:

SIR—At your suggestion, I present herewith a memorandum in regard to a legislative bill now before you for consideration (Senate Bill No. 475), entitled:

> "An Act for the relief of the Baptist Home Society of the city of New York, to authorize the sale, grant and conveyance of certain property from the city of New York to said Baptist Home Society, and to authorize the sale, grant and conveyance of the property by said Baptist Home Society."

This act authorizes the Sinking Fund Commissioners of The City of New York, in their discretion, to grant and convey to the Baptist Home Society at private sale, for such consideration as they may deem proper, a parcel of land now occupied by the society and located in the block bounded by East Sixty-seventh and Sixty-eighth streets, Lexington and Park avenues.[1] It is further

(1) See map, Block 1402, Lot 6.

proposed to authorize the Baptist Home Society to sell, grant and convey in fee simple the whole or any part of the said premises, the proceeds to be devoted to the purchase of a new site and the erection of new buildings for the maintenance and support of the society.

This proposition is analogous to the bills introduced some years ago at the instance of the Mt. Sinai Hospital[1] and the Chapin Home[2], as a result of which the Sinking Fund Commissioners granted to these societies, for nominal considerations, property in this vicinity. As will be shown later, these properties were subsequently sold at great profit and the proceeds were used for the purchase of new sites and the erection of new buildings for the societies.

The property occupied by the Baptist Home Society extends from Sixty-seventh to Sixty-eighth streets, with a frontage on each street of one hundred and twenty-five feet, and a depth of two hundred feet ten inches. On December 31, 1870, this property, which was owned by the City, was leased by the Commissioners of the Sinking Fund to the Baptist Home Society for a period of ninety-nine years at an annual rental of one dollar. The property consists of ten lots, all of which are exempt from taxation. The value of the real estate unimproved amounts to two hundred and seventy-five thousand dollars. With improvements the value is three hundred and fifty thousand dollars. This institution now seeks, in the Senate bill above referred to, to obtain title to the property, obviously at a nominal consideration, so that it can in turn sell at full value, using the proceeds for the purchase of a new site and the erection of new buildings.

(1) See map, Block 1401, Lots 20 and 54, and Block 1402, Lots 21 and 24.

(2) See map, Block 1401, Lot 32.

This proposition, which on its face would seem to be a poor bargain for the city, is practically the final step in the dismemberment of a large tract of land which once belonged to the municipality. The property occupied by the Baptist Home Society, as well as the properties of the Mt. Sinai Hospital and the Chapin Home above referred to, formed part of a parcel of land formerly known as Hamilton Square. It occupied the six blocks now bounded by Sixty-sixth and Sixty-ninth streets, between Third and Park avenues.[1] Title to this land was acquired by the city under the Dongan and Montgomery charters of

(1) This tract used to be known as the "Dove Lots" from the Dove Tavern on the old Post Road and constituted part of the Common Lands of the City. (See map of Corporation's Common Lands, dated March 1, 1796, by Casimer Ph. Goerck, City Surveyor.) To what extent this tract was affected by the early English and Dutch charters is not definitely known, but it is accepted that the Dongan Charter of 1686 granted and confirmed to the City of New York the rights of the crown in all waste, vacant, unpatented and unappropriated lands in the city. The right of the City was again confirmed in the 37th section of the Montgomery Charter, which follows very closely the language of the Dongan grant. Subsequently these charters were ratified by the Colonial Assembly and confirmed in Section 17, Article 1st of our State Constitution.

1686 and 1730 respectively, with the exception of a small corner on Sixty-ninth street, which was finally purchased in 1866 for twenty-six thousand five hundred dollars, thus completing the city's claim to the six blocks. This section to-day is one of the most valuable properties in New York.

Seventy-five years ago, Hamilton Square, although situated in the outskirts, was one of the favorite resorts of the citizens of New York. It appears as a park on the city maps as early as 1807. It was here that the corner stone for the proposed Washington monument was laid in 1847. Here for years the school children came for their picnics and outings. Had the city retained this property under its own control, it is probable that it would have been to-day one of our finest parks. In 1870, however, through the generosity of Mr. William M. Tweed, the dismemberment of this property began.[1] The Baptist Home Society was one of the first to secure a ninety-nine year lease at one dollar a year. It was soon followed by the Institution for the Instruction of Deaf Mutes, the Hahnemann Hospital, and the Foundling Asylum of the Sisters of Charity. Various institutions, both charitable and otherwise, have from time to time secured long-term leases to portions of Hamilton Square.

(1) Between August 1, 1870, and May 1, 1871, leases for terms of 99 years each were granted to six institutions for large portions of this square.

In two instances, large sections have been sold to private institutions for nominal considerations.

To-day, while the city still owns four of the six blocks in question (and a small portion in another block),[1] it can neither use the property for public purposes nor derive any revenue therefrom, the institutions being exempt from taxation. The absurdity of the situation is shown by the fact that when the City recently sought quarters in this section for the newly established bureau of fire prevention, it was forced to bargain for the use of property which, two years before it had sold at a nominal consideration.[2]

A short summary follows of the disposition, for institutional purposes, of the property in Hamilton Square:

Foundling Asylum.

The block bounded by East Sixty-eighth and Sixty-ninth streets, Third and Lexington avenues, is occupied by the Foundling Asylum of the Sisters of Charity under a lease granted by the Commissioners of the Sinking Fund for a period of ninety-nine years from December

(1) On April 24, 1879, the City sold at auction for $52,680 eight lots 80 feet deep in Block 1401, extending on the westerly side of Third avenue from Sixty-sixth to Sixty-seventh street. On May 27, 1885, the City sold at auction for $228,400 twelve parcels in Block 1402, extending from Sixty-seventh to Sixty-eighth streets, on the westerly side of Third avenue, with a depth of 170 feet on each street.

(2) See map, Block 1401, Lot 32.

15, 1870, at an annual rental of one dollar. The present assessed valuation of this land with improvements is one million two hundred and fifty thousand dollars. The property is exempt from taxation.

Normal College.

The block bounded by East Sixty-eighth and Sixty-ninth streets, between Lexington and Park avenues, is occupied by the New York Normal College. The valuation of the real estate with improvements is one million seven hundred thousand dollars. The property is exempt from taxation.

Hahnemann Hospital.

The block bounded by East Sixty-seventh and Sixty-eighth streets, between Lexington and Park avenues, is occupied by three institutions, the Hahnemann Hospital, the Baptist Home Society, above noted, and the Institution for the Instruction of Deaf Mutes. The Hahnemann Hospital occupies the westerly end of the block under a ninety-nine year lease from the Commissioners of the Sinking Fund, dated December 31, 1870, at an annual rental of one dollar. The property, with improvements, is valued at five hundred and fifty thousand dollars. It is exempt from taxation. In 1905, a bill[1] passed the Legislature authorizing the Sinking Fund Commissioners

(1) Laws of 1905, chapter 345.

to sell this property in fee simple to the Hahnemann Hospital, obviously at a nominal consideration, so as to allow the institution to utilize the profits of a subsequent sale for a new site and new buildings. No official action, however, has as yet been taken in this matter.

Institution for Deaf Mutes.

The Institution for the Instruction of Deaf Mutes occupies the easterly end of the block under a ninety-nine year lease granted by the Sinking Fund Commissioners in 1870 at an annual rental of one dollar. The value of the property with improvements is five hundred thousand dollars. It is exempt from taxation. A bill affecting this property is now before the Legislature similar to the one introduced for the Baptist Home Society.

Seventh Regiment.

The block bounded by Sixty-sixth and Sixty-seventh streets between Lexington and Park avenues was leased in 1874 to the Seventh Regiment for a period of twenty-one years, for an annual rental of one dollar. In 1879 the lease was extended during the period that the regiment continued to exist as a military organization and occupy these premises.[1]

(1) Laws of 1879, chapter 57.

Chapin Home.

In the block bounded by East Sixty-sixth and Sixty-seventh streets, between Third and Lexington avenues, is the property formerly occupied by the Chapin Home for the Aged and Infirm, under a ninety-nine year lease granted by the Commissioners of the Sinking Fund in 1871, at an annual rental of one dollar. On December 30, 1909, under an act of Legislature,[1] the city conveyed this property in fee simple absolute to the Chapin Home for five thousand dollars.[2] The assessment rolls for 1912 show that the value of this property with improvements amounts to three hundred and twenty-five thousand dollars. Part of the property which the City conveyed to the Chapin Home has since been sold by that institution and is now in the hands of William Waldorf Astor. The consideration in this last transaction may be estimated by the fact that on December 13, 1910, the Chapin Home executed a mortgage on its entire property, securing a loan of two hundred and eighty thousand dollars.

Mt. Sinai Hospital.

The westerly end of this block (bounded by Sixty-sixth and Sixty-seventh streets, between Third and Lexington

(1) Laws of 1907, chapter 434.
(2) The Chapin Home in addition agreed to furnish 5,475 free days' care, maintenance and treatment in each year in perpetuity to the City of New York.

avenues) was leased in 1871 by the Sinking Fund Commissioners to the Mt. Sinai Hospital, at an annual rental of one dollar, for a period of ninety-nine years. In 1904 the City conveyed this property in fee absolute to the Mt. Sinai Hospital, together with four lots on the southwest corner of Sixty-seventh street and Lexington avenue, for a consideration of ten thousand dollars.[1] Thereafter the hospital authorities sold the property to private parties, who have since erected thereon high-class apartment houses. An examination of the assessment rolls for the year 1912 shows that the value of the land with improvements is two million dollars.

Summarizing the conditions relative to the uses and disposition of the land in Hamilton Square, it appears that the total assessment valuation of the land, excluding improvements, amounts in 1912 to five million eight hundred and five thousand dollars. The Sinking Fund Commissioners at different times have leased to various institutions, which are not under the control of the City, parcels of this land, the assessed value of which is three million and twenty-five thousand dollars, at a total annual rental of five dollars. All of this property is exempt from taxation. Furthermore, properties valued at seven hundred and ten thousand dollars (land value only) have, within recent years, been conveyed to private institutions

(1) Minutes of the Sinking Fund Commission, 1898, page 107; 1900, pages 67, 362 and 412; 1904, pages 395 and 494.

for fifteen thousand dollars, and have subsequently been resold with great profit.

The intent of Senate Bill No. 475, above referred to, is to continue the practice employed in the case of the Chapin Home and the Mt. Sinai Hospital by selling outright to the Baptist Home Society, at a nominal figure, the property which it has so long occupied for one dollar a year rental. That there are precedents for such action, not only in the Hamilton Square property but in the case of three hospitals and one orphan asylum in other parts of Manhattan, cannot be denied.[1] At the same time, we believe that these precedents are based, with perhaps one or two exceptions, upon a mistaken policy. That the City should be called upon to aid in the support of various charitable institutions is natural and inevitable. Indeed at the present time New York is annually spending thousands of dollars directly for this purpose. But that the City should be asked to contribute indirectly to a specific institution by selling to it valuable property at a nominal consideration, is, we believe, against public policy, if not, indeed, unconstitutional.

Particularly is this true when, as in the case of the Baptist Home Society under consideration, the City receives no direct or immediate benefit from the institution and exercises no control. The Baptist Home Society is a purely denominational enterprise, admitting only those who are members of Baptist churches. No beds are maintained for public patients, and the institution is not used by the Department of Public Charities. At present it maintains approximately one hundred patients. Such an institution, although admirable as a private charity, should never have been granted a ninety-nine year lease of valuable public property. We believe that the present attempt to secure the absolute title to this property should be defeated.

(1) The German Hospital, Seventy-seventh street and Park avenue. Woman's Hospital, Fiftieth street and Lexington avenue. St. Luke's Hospital, Fifth avenue and Fifty-fourth street. Roman Catholic Orphan Asylum, Fifth avenue, Fourth avenue, Fifty-first and Fifty-second streets.

Respectfully submitted,

(Sgd.) RAYMOND B. FOSDICK,

Commissioner of Accounts.

N. B.—On March 14, 1912, Mayor Gaynor vetoed Senate Bill No. 475 above referred to. A similar bill introduced on behalf of the Institution for the Instruction of Deaf Mutes, located on the lot adjoining the Baptist Home, was vetoed by the Mayor on March 26, 1912.

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